

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS



26TH ANNUAL REPORT
DECEMBER 31, 1999

TABLE OF CONTENTS

AGENCY OVERVIEW

Mission Statement and Vision Statements	2
Message from the Commissioner	3
Headquarters Personnel - Nashville	4
Examination Personnel by Division	6
Total Number of State-Chartered Institutions and Licensees	8

ADMINISTRATIVE AND SUPPORT SERVICES DIVISION

Summary of Activity	10
Expenditure and Funding Sources	11

LEGAL DIVISION

Summary of Activity	13
1999 Legislation	13

BANK DIVISION

Summary of Activity	16
New Charters and Corporate Reorganizations	18
Charts and Graphs	20
Key Bank Ratios - State-Chartered Banks	22
Consolidated Balance Sheet and Income Statement - State and Federal	23
Summary of Individual Bank Performance	27
National Banks Headquartered in Tennessee	32
Out-of-State Banks Operating Branches in Tennessee	33
Consolidated Balance Sheet and Income Statement - State Chartered Trust Companies	34
Summary of Individual Trust Companies	36

CREDIT UNION DIVISION

Summary of Activity	38
New Charters and Corporate Reorganizations	39
Charts and Graphs	40
Key Credit Union Ratios - State and Federal	42
Consolidated Balance Sheet and Income Statement - State and Federal	44
Summary of Individual Credit Union Performance	50

COMPLIANCE DIVISION

Summary of Activity	54
Composite Annual Report - Industrial Loan and Thrift Companies	57

AGENCY OVERVIEW



MISSION AND VISION STATEMENTS

MISSION STATEMENT

The primary statutory mission of the Department of Financial Institutions is to provide the citizens of Tennessee with a sound system of state-chartered financial institutions by:

- **providing for and encouraging the development of depository financial institutions while restricting their activities to the extent necessary to safeguard the interests of depositors; and**
- **seeking to ensure compliance by both depository and non-depository financial institutions with governing laws and regulations.**

The Department is further committed to the provision of quality constituent services to the institutions it examines, supervises and regulates; the citizens of the State of Tennessee; members of the Tennessee General Assembly and of Congress; the Office of the Governor and other Agencies of the state and federal governments; other state and federal financial institutions' regulatory agencies; and to the provision of quality management of its personnel and fiscal resources.

VISION STATEMENT

We seek to sustain an environment in the great State of Tennessee which fosters a feeling of confidence and security among its citizens in regard to their choice of financial institutions. We advocate the continuance of the dual chartering system which allows us to provide a financial regulatory structure which more efficiently meets the needs and economic welfare of the residents of our State. The management of the department strives to foster a sense of job satisfaction and ample career path opportunities to assure we are adequately staffed with well qualified, experienced, and long-tenured employees. As a strong team, we can be more diligent, efficient, effective, responsive, and innovative in administering our duties. We continuously strive to make the Tennessee state charter the charter of choice and the Department of Financial Institutions the preferred financial services regulatory agency in the State of Tennessee.



MESSAGE FROM COMMISSIONER BILL C. HOUSTON

The **Department of Financial Institutions** is pleased to present this **Twenty-sixth Annual Report** covering operations of the Department and its regulated industries in 1999.

The year 1999 was a good one for Tennessee's state-chartered banks and credit unions in terms of their profitability. They also continued to finance Tennessee's economic expansion with loan growth at state-chartered banks up 8.9%, and credit union loans up 7.9%. Deposits grew less rapidly and non-deposit funding sources were more extensively relied upon to fund loan growth. Asset quality remained good in both industries and no banks or credit unions failed in 1999.

Departmental accomplishments were numerous in 1999. We met our statutorily mandated examination cycles, maintained accreditation standards for both our Bank and Credit Union Divisions, chartered eight new Tennessee banks, and implemented a follow-up program on marginally rated credit unions which resulted in a substantial reduction in those numbers. Technological achievements were a highlight. Substantial hours were devoted to assuring that our own systems were Y2K compliant and in helping assure that all our regulated institutions were prepared to continue uninterrupted service to the public. The Millennium came and went with no problems. Our Compliance Division completed the automation of all its licensing activities and the Department's Web site has expanded substantially to provide more and better information to the public. This Annual Report is itself being placed on our Web site and will be electronically submitted to most of our users, thereby allowing us to save printing and marketing costs.

The Department also seeks to assist consumers with any problems they have with financial institutions. Our Compliance Division alone handled over six hundred consumer complaints and obtained refunds for Tennessee consumers of over \$550,000.00 through our examination and complaint resolution activities.

The only asset of consequence this Department has is its employees and it is only through their hard work and dedication that these accomplishments were achieved. I, as Commissioner, am extremely proud of our small, but highly experienced and dedicated staff. They do a great job for the people of Tennessee.

HEADQUARTERS PERSONNEL - NASHVILLE

(Staffing Reflected as of 06-30-00)

COMMISSIONER'S OFFICE

Bill C. Houston, Commissioner

Marian Garland, CEM, CFE, Executive Administrative Assistant

Kayce Cawthon-Stoker, Administrative Assistant, Records Officer

LEGAL DIVISION

Greg Gonzales, General Counsel

Tina G. Miller, Attorney

Marsha P. Anderson, Attorney

David G. Taylor, Attorney

Stephanie Burton, Paralegal, Legal Assistant

ADMINISTRATIVE AND SUPPORT SERVICES DIVISION

Harry P. Linn, CFE, Assistant Commissioner

HUMAN RESOURCES

Cynthia L. Wilson, Personnel Analyst

TRAINING

Dennis H. Shipp, CEM, CFE, Program Administrator

FISCAL SERVICES

Carolyn G. Merhar, Fiscal Officer

Jean C. Hill, Accountant

Barbara A. Jones, Administrative Services Assistant

Penny S. Vaden, Receptionist/Secretary

INFORMATION SYSTEMS

William B. Wooten, CISA, CDRP, CSP, Director

Mary E. Wilhite, Information Resource Specialist

Patti A. Miller, Programmer Analyst

CREDIT UNION DIVISION

Harry P. Murphy, CFE, Assistant Commissioner

Paula J. Cagle, CPS, Executive Secretary

Paul L. Foster, CFE, Manager

HEADQUARTERS PERSONNEL - NASHVILLE

(Staffing Reflected as of 06-30-00)

BANK DIVISION

Derek L. Carrier, Assistant Commissioner
Pansy Pardue-Leech, Executive Secretary

APPLICATIONS

Curtis F. Faulkner, Program Administrator
Paula H. Miller, Administrative Services Assistant

BANK EXAMINATIONS & FINANCIAL ANALYSIS

James S. Douthit, Chief Administrator
Jean Jackson, Administrative Secretary
Storm A. Miller, Financial Analyst
Joyce Simmons, CPA, Financial Analyst

TRUST EXAMINATIONS

Vivian Y. S. Lamb, CEM, Program Administrator

COMPLIANCE DIVISION

Roger W. Thomas, CFSA, Assistant Commissioner
Jean A. Rosalez, Executive Secretary
Maclin D. Whiteman, Financial Analyst

APPLICATIONS

Carl Scott, CFSA, Director
Susan Kennedy, Administrative Secretary
Betty Osborne, Administrative Secretary

CHECK CASHING/DEFERRED PRESENTMENT

Steven E. Henley, CPA, Director
Savitrea Spence, Administrative Secretary

EXAMINATIONS

Nita H. Taylor, Director
Lisa J. Gregg, Administrative Secretary

**BANK DIVISION
EXAMINATION PERSONNEL**

(As of 6-30-2000)

West Tennessee District

R. Douglas Baker, Manager

Off-Site Monitoring Supervisor - Shirley Sanderson, CEM

Trust Examinations Specialist - Bruce Allen, CEIC, CFE, IV

67 Banks

\$7.3 Billion in Assets

(As of 12-31-1999)

Terry Warren, CEIC, CFE, Supervisor

Vicki Ivey, CEIC, CFE, IV

Dana Owen, CEIC, Certified Fraud Examiner, IV

Robert Prather, CEIC, CFE, IV

Robert Shannon, CEIC, CFE, IV

Roxanne Taylor, CEIC, CFE, IV

Danny Nolen, CEM, CFE, Supervisor

Jerry Davis, CEIC, CFE, IV

Laurie Gaddis-Durham, CEIC, CFE, IV

Debora King, CEIC, CFE, IV

Timothy Runions, CEIC, CFE, IV

Phil Stafford, CEIC, CFE, IV

Middle Tennessee District

Harrison White, CFE, CEM, Manager

Off-Site Monitoring Supervisor - Joe P. Boaz, CEM

Trust Examination Specialist - Tod Trulove, AFE, CEIC, IV

50 Banks

\$5.5 Billion in Assets

(As of 12-31-1999)

Irving B. Ginsberg, CEM, CFE, Supervisor

Lee Pedigo, AFE, IV

Michael Sisk, CEIC, AFE, IV

David Tate, I

Todd Rice, CEM, Supervisor

Sherri Cassetty, CFE, CEIC, IV

Kenneth Hensley, Bank Financial Analyst

John Hudson, CEIC, IV

Clyde McClaren, AFE, IV

East Tennessee District

Kenneth Kelley, CEM, District Manager

Off-Site Monitoring Supervisor - Louella H. McElroy, CEM

Trust Examinations Specialist - Wade McCullough, CEIC, CFE, IV

53 Banks

\$7.7 Billion in Assets

(As of 12-31-1999)

Chester Justice, Jr., CEM, Supervisor

Robin Culberston, CEIC, IV

Carol Killen, CEIC, IV

Timothy Poteet, AFE, CEIC, IV

Jason B. Wilkinson, CEIC, IV

Claude N. Huff, Jr., CEM, CFE, Supervisor

Bill Cave, CEIC, CFE, Certified Fraud Examiner, IV

Jonathan Piper, CEIC, IV

Teresa Weaver, CFE, CEIC, IV

Alfred Hacker, III

**CREDIT UNION DIVISION
EXAMINATION PERSONNEL**

(As of 6-30-2000)

**Total Assets in Billions - \$ 3.9
Total Number of Credit Unions - 151**

West/Middle Tennessee District

**81 Credit Unions
\$1.98 Billion in Assets**

Randall D. Means, V, Supervisor

Alan Gober, IV
Steve Eddings, CFE, IV
Tom Harper, IV
Vickie L. Young, IV

East Tennessee District

**71 Credit Unions
\$1.94 Billion in Assets**

John R. Shires, V, Supervisor

Eric D. Batts, CFE, IV
Shane Hardin, III
Lance Hogelin, AFE, IV
Greg Perry, CFE, IV
Dwight Ward, Trainee

**COMPLIANCE DIVISION
EXAMINATION PERSONNEL**

(As of 6-30-2000)

West

David Reynolds, CFSA, IV
Patrick Ryan, CFSA, III
Marilyn Schroepfel, III

Middle

Robert Campbell, I
Robert Doyle, III
Gene Smith, CFSA, III
Jane Williams, CFSA, III

East

Chris Adams, CFSA, Certified Fraud
Examiner, III
Frank Barnes, CFSA, II
Brian Williams, II
Dennis Woodmore, CFSA, III

Key to Staff Title Designations:

"AFE" Accredited Financial Examiner; "CDRP" Certified Disaster Recovery Planner; "CEIC" Certified Examiner-In-Charge; "CEM" Certified Examinations Manager; "CFE" Certified Financial Examiner; "CFSA" Certified Financial Services Auditor; "CISA" Certified Information Systems Auditor; "CPA" Certified Public Accountant; "CPS" Certified Professional Secretary; "CSP, Certified Systems Professional. Roman Numerals denote field examiner level."

**TOTAL NUMBER OF STATE-CHARTERED
INSTITUTIONS AND LICENSEES**

CHARTERS	Dec. 31, 1999	Dec. 31, 1998
Commercial Banks/Savings Banks	170	171
Trust Companies	14	11
BIDCOs	4	4
Credit Unions	151	155
TOTAL NUMBER OF CHARTERS	339	341
LICENSEES		
Industrial Loan and Thrift Companies	889	1,048
Insurance Premium Finance Companies	74	81
Mortgage Companies	1,095	1,069
Money Transmitters	32	30
Deferred Presentment	819	629
Check Cashers	230	139
TOTAL NUMBER OF LICENSEES	3,139	2,996